

AN ORDINANCE 2006-06-29-0801

**APPROVING AMENDMENTS TO THE FINAL PROJECT AND FINANCING PLANS FOR TAX INCREMENT REINVESTMENT ZONE ("TIRZ") NUMBER SIX, CITY OF SAN ANTONIO, TEXAS, KNOWN AS THE MISSION DEL LAGO TIRZ; AUTHORIZING THE PAYMENT OF ALL INCREMENTAL AD VALOREM TAXES FROM THE TIRZ INTO THE TIRZ TAX INCREMENT FUND; AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE INTERLOCAL AGREEMENTS WITH THE BOARD OF DIRECTORS FOR THE TIRZ ("BOARD"), BEXAR COUNTY, UNIVERSITY HEALTH SYSTEM AND ALAMO COMMUNITY COLLEGE DISTRICT AND A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF SAN ANTONIO, MISSION DEL LAGO, LTD., AND THE BOARD.**

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**WHEREAS**, the City of San Antonio ("City") recognizes the importance of its continued role in economic development; and

**WHEREAS**, the City Council created Tax Increment Reinvestment Zone Number Six, City of San Antonio, Texas ("Zone"), located in City Council District 3, by Ordinance Number 90312, dated August 19, 1999, in accordance with the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code (as amended), (hereinafter called the "Act"), and the City's 1998 *City of San Antonio, Texas Guidelines and Criteria for Tax Increment Financing (TIF) and Reinvestment Zones* to promote development and redevelopment of the Zone property through the use of tax increment financing, which would not otherwise occur solely through private investment in the reasonably foreseeable future, established a Board of Directors for the Zone (the "Board"), and authorized the creation of a tax increment fund entitled "Reinvestment Zone Number Six, City of San Antonio, Texas, Tax Increment Fund (the "Fund"), established at the depository bank of the City; and

**WHEREAS**, on August 26, 1999, by Ordinance Number 90383, the City Council approved the Final Project and Financing Plan for the TIRZ, approved the payment of all incremental ad valorem taxes generated from new improvement occurring in the TIRZ into the designated TIRZ' tax increment fund; and

**WHEREAS**, after August 26, 1999, the developer, Mission del Lago, LTD., experienced a change of partners which resulted in the change of the scope of the project from 3,200 single-family residences to 2,734 single-family homes, 280 multi-family units, and 287,600 square feet of retail/office commercial space, thus changing the total cost of infrastructure changed from \$78,520,731.00 to \$60,228,267.00; and

**WHEREAS**, the University Health System and Alamo Community College District, two of the five participating taxing entities reduced their participation percentages, resulting in the maximum reimbursable amount estimated to be paid by the combined taxing entities from

\$172,580,909.00 to \$76,477,700.00, causing the need to amend the Final Financing Plan and Project Plan;

**WHEREAS**, on May 3, 2006, and June 20, 2006, the Board approved and adopted, in substantial final form, an amended Final Project Plan ("Project Plan"), an amended Final Financing Plan ("Financing Plan"), a Development Agreement with Mission Del Lago, Ltd. (the "Developer"), and three Interlocal Agreements with other participating tax entities in the Zone, providing for their participation in the Zone and contributions to the Fund; and

**WHEREAS**, the Act requires that the City Council approve the Project Plan and Financing Plan, after their adoption by the Board; and

**WHEREAS**, the Act authorizes the reimbursement of "Project Costs" which are the costs of public works or public improvements in the Zone, plus other costs incidental to those reimbursements and obligations that are consistent with the Project Plan; and

**WHEREAS**, money in the Fund may be disbursed from the Fund, invested, and paid as permitted by the Act or by any agreements entered into in accordance with the Act, or otherwise authorized by law; and

**WHEREAS**, a taxing unit is not required to pay into the Fund any of its tax increment provided from property located in the Zone designated by petition under the Act, unless the taxing unit enters into an Interlocal Agreement with the City, which includes conditions for payment into the Fund and specifies the portion and the years for which that tax increment is to be paid into the Fund; and

**WHEREAS**, the City desires to approve the payment of all available City incremental ad valorem taxes generated from new improvements in the Zone into the Fund; and

**WHEREAS**, payment into the Fund shall consist of increment generated in the 1999 tax year and through the TIRZ' termination date of September 30, 2025 (the "Termination Date"), unless otherwise terminated earlier as authorized or permitted by law; and

**WHEREAS**, in accordance with the Act and Ordinance Number 90312 dated August 19, 1999, the Board has authority to enter into agreements as the Board considers necessary or convenient to implement the Project Plan and Financing Plan and to achieve the purposes of developing the Zone Property; and

**WHEREAS**, the City, Board and Developer have agreed to the terms and conditions for their performance and obligations for the development of the Zone property, including a total potential reimbursement to the Developer from the Fund for approved infrastructure improvements and financing costs of \$76,477,700.00, as set out in the Development Agreement attached as Exhibit 3; and

**WHEREAS**, the City, the Board, University Health System, Bexar County and Alamo Community College District have agreed to the terms and conditions for their participation in the

Zone and contributions to the Fund, as set out on the Interlocal Agreements attached as Exhibits 4, 5 and 6; and

**WHEREAS**, it is now necessary to for the City Council to approve the Project Plan and the Financing Plan for the Zone; to authorize the City Manager or her designee to enter into a Development Agreement with the Board and Developer which provides for the development of the Zone property as specified in the Project Plan and Financing Plan, and to enter into Interlocal Agreements with University Health System, Bexar County, and the Alamo Community College District, the City having already entered into an Interlocal agreement with the South Side Independent School District; and

**WHEREAS**, it is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code; **NOW THEREFORE**,

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The amended Final Project Plan ("Project Plan") and the amended Final Financing Plan (Financing Plan") as approved on June 20, 2006 by the Board of Directors (the "Board") of the Tax Increment Reinvestment Zone Number Six of the City of San Antonio, Texas (the "Zone"), known as the Mission Del Lago TIRZ, are approved, and copies are attached as Exhibit 1 (Final Project Plan) and Exhibit 2 (Final Financing Plan) and incorporated into this Ordinance for all purposes.

**SECTION 2.** The City Manager or her designee is authorized to make payment of all available City incremental ad valorem taxes generated from the new improvements into Tax Increment Reinvestment Zone Number Six, City of San Antonio, Texas, Tax Increment Fund (the "Fund"), beginning in the 1999 tax year and continuing until its termination date of September 30, 2025, unless otherwise terminated earlier as authorized or permitted by law.

**SECTION 3.** The Project Plan and Financing Plan for the Zone are feasible and in compliance with the City's Master Plan and the City's adopted 1998 *City of San Antonio, Texas Guidelines and Criteria for the Use of Tax Increment Financing (TIF) and Reinvestment Zones* by encouraging community revitalization, infrastructure improvements and housing within certain areas of the City which would not have occurred without tax increment financing.

**SECTION 4.** The City Manager, or her designee, are authorized to negotiate and execute the Development Agreement with the Developer, the Interlocal Agreements with University Health System, Bexar County, and the Alamo Community College District substantially in accordance with the provisions set out above.

**SECTION 5.** Approval and execution of the attached Development Agreement does not have an immediate fiscal impact. To the extent that such funds are available, the City is authorized to reimburse the Developer up to a maximum total payment of \$76,477,700.00 for the public

infrastructure improvements, as authorized by and in accordance with the Act. The Mission Del Lago TIRZ has a termination date of September 30, 2025, unless otherwise terminated earlier as authorized or permitted by law.

**SECTION 6.** SAP Fund 29086004, TIRZ Mission Del Lago, will be used for information.

**SECTION 7.** The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

**SECTION 8.** The statements set out in the recitals of this Ordinance are true and correct, and are incorporated as part of this Ordinance.

**SECTION 9.** If any provision of this Ordinance or the application of any provision of this ordinance to any circumstance is held invalid, the remainder of this Ordinance and the application of the remainder of this Ordinance to other circumstances shall nevertheless be valid, and this Ordinance would have been enacted without such invalid provision.

**SECTION 10.** This ordinance is effective immediately upon the receipt of eight (8) affirmative votes.

***PASSED AND APPROVED*** this 29<sup>th</sup> day of June 2006.

  
**M A Y O R**  
**PHIL HARDBERGER**

**ATTEST:**   
City Clerk

**APPROVED AS TO FORM:**   
for City Attorney